

# **Testimony of Bill Fenstermaker**

Senate Small Business & Entrepreneurship Committee Field Hearing  
*“How Small Businesses Are Supporting America’s Energy Renaissance”*  
Monday, March 23, 2015  
Lafayette, Louisiana

My name is Bill Fenstermaker, and I am Chairman and CEO of C. H. Fenstermaker & Associates, LLC, a Survey/Environmental/Engineering company headquartered in Lafayette, Louisiana, which also services oil and gas activities in Louisiana, Texas, New Mexico, Mississippi, Ohio and Pennsylvania. I am also Chairman of IberiaBank Corporation that is a \$17 billion bank holding company headquartered in Lafayette, Louisiana.

My comments today are related to the effects of energy upon the South Louisiana region.

Lafayette and Oil and Gas are synonymous. The people who live here are hardworking and are called upon to support oil and gas activities throughout the world. This is why the service engine of Central Gulf of Mexico energy operations are heavily concentrated in this area. In Lafayette's MSA 26.5% of earnings and approximately 11% of this areas employment comes from the energy business. Lafayette alone has over 17,000 people who work in the energy sector.

Due to low oil and natural gas prices, times are pretty tough now. Most of our service industries have recently announced layoffs. Energy producers in Lafayette and Houston have announced that they are cutting operating budgets in half or more. Most have learned from the 80's and are positioning themselves to withstand "the storm" caused by low commodity prices. Obviously banks are much more circumspect when it comes to lending to anyone that has oil and gas industry exposures.

From a banking perspective, a recent earning conference call was dominated by questions about energy exposures which triggered a follow-up presentation in NYC where over 100 analyst attended and listened to IberiaBank's exposures to low energy prices. Questions about exposures are not only relegated to analysts but also to banking regulators who "stress test" all of our risks with a big focus on energy.

One bright spot has been the large number of LNG or Gas to Liquids projects being located in South Louisiana. But slumping oil prices have clouded their future (not only here but globally). These cost intensive projects are now being threatened by the volatile market making the prospect of US "energy independence" in doubt.

Certainly not helping are Long application turnaround times by the Department of Energy and the Federal Energy Regulatory Commission which negatively affect the economy of South Louisiana and the US Economy. These delays make it extremely difficult to meet current global demands for LNG and lets other nations regain advantages in supplying the energy needs that many countries demand.

Hopefully we don't squander this opportunity.